

MAINE STATE LEGISLATURE

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L.D. 1490

Date: 3/15/24 MAJORITY

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
131ST LEGISLATURE
SECOND REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 945, L.D. 1490, "An Act to Reduce Rental Housing Costs by Eliminating Additional Fees at or Prior to the Commencement of Tenancy"

Amend the bill by striking out everything after the enacting clause and inserting the following:

Sec. 1. 14 MRSA §6000, sub-§1-A is enacted to read:

1-A. Mandatory recurring fee. "Mandatory recurring fee" means an amount of money paid, other than rent, on a predetermined recurring basis to fulfill requirements within a lease or tenancy at will agreement related to services or common areas. "Mandatory recurring fee" does not include fees for late, missed or insufficient payment of rent, repair costs, utility service costs, penalties or charges that are issued to reimburse the landlord for reasonable costs or that deter the tenant from violating the lease or tenancy at will agreement.

Sec. 2. 14 MRSA §6000, sub-§1-B is enacted to read:

1-B. Rent. "Rent" means an amount of money paid on a predetermined recurring basis to fulfill the requirements of a lease or tenancy at will agreement. "Rent" does not include security deposits, utility service costs, fees, penalties or charges that are issued to reimburse the landlord for reasonable costs or that deter the tenant from violating the lease or tenancy at will agreement.

Sec. 3. 14 MRSA §6000, sub-§3-A is enacted to read:

3-A. Utility service costs. "Utility service costs" means costs associated with a dwelling unit's use of:

A. Energy delivered for that dwelling unit;

B. Services provided by a public utility as defined in Title 35-A, section 102, subsection 13;

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C. Services provided by a communications service as defined in Title 35-A, section 9202, subsection 3; and

D. Services provided by a municipality.

Sec. 4. 14 MRSA §6001, sub-§3, ¶A, as amended by PL 2023, c. 272, §1, is further amended to read:

A. Asserted the tenant's rights pursuant to section 6015, 6016, 6021, ~~or~~ 6030-D, 6030-I or 6030-J;

Sec. 5. 14 MRSA §6015, as repealed and replaced by PL 2023, c. 388, §1, is amended to read:

§6015. Notice of rent or mandatory recurring fee increase

1. Increase of rent or mandatory recurring fees generally. Except as provided in subsection 2, rent or mandatory recurring fees charged for residential estates may be increased by the landlord only after providing at least 45 days' written notice to the tenant. A written or oral waiver of this requirement is against public policy and is void. Any person in violation of this section is liable for the return of any sums unlawfully obtained from the tenant, with interest, and reasonable attorney's fees and costs.

2. Increase of 10% or more. If rent charged for a residential estate is increased by the landlord by 10% or more, the landlord must provide at least 75 days' written notice to the tenant. If the landlord increases rent more than once in a 12-month period, and the increases add up to a total increase of 10% or more, the landlord must provide at least 75 days' written notice prior to any increase that brings the total increase in rent to 10% or more. A written or oral waiver of this requirement is against public policy and is void. Any person in violation of this subsection is liable for the return, with interest, of any sums unlawfully obtained from the tenant and reasonable attorney's fees and costs.

This subsection does not apply to rental housing that is subject to:

A. Requirements established by a document or deed recorded by a register of deeds that are designed to keep the housing affordable for tenants with specific income levels;

B. Restrictions as a condition of the landlord's receipt of subsidies from or participation in a municipal, state or federal housing program; or

C. Restrictions as a condition of the tenant's receipt of subsidies from or participation in a municipal, state or federal housing program.

Sec. 6. 14 MRSA §6022-A is enacted to read:

§6022-A. Limit on initial amount paid by tenant

1. Limit on amount required to initiate tenancy. Upon entering a lease or tenancy at will agreement, a landlord, landlord's agent or real estate broker may not require a tenant to pay an initial amount of money in excess of the total of the rent for the first full month of occupancy, a security deposit as limited by section 6032 and any mandatory recurring fee as defined in section 6000, subsection 1-A that is properly disclosed under section 6030-J.

Sec. 7. 14 MRSA §6030, sub-§2, as amended by PL 2009, c. 566, §16, is further amended to read:

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1 **2. Unenforceable provisions.** The following lease or tenancy at will agreement or
2 rule provisions for a dwelling unit, as defined in section 6021, are specifically declared to
3 be unenforceable and in violation of Title 5, section 207:

4 A. Any provision that absolves the landlord from liability for the negligence of the
5 landlord or the landlord's agent;

6 B. Any provision that requires the tenant to pay the landlord's legal fees in enforcing
7 the lease or tenancy at will agreement;

8 C. Any provision that requires the tenant to give a lien upon the tenant's property for
9 the amount of any rent or other sums due the landlord; and

10 D. Any provision that requires the tenant to acknowledge that the provisions of the
11 lease or tenancy at will agreement, including tenant rules, are fair and reasonable;

12 E. Any provision that requires the tenant to pay a fee, penalty or other charge for the
13 act of discontinuing tenancy, unless the fee, penalty or other charge is:

14 (1) To recover reasonable expenses related to securing another tenant in
15 circumstances in which the initial tenant has breached provisions of the lease or
16 tenancy at will agreement related to notice required before discontinuing tenancy;

17 (2) To collect unpaid rent due the landlord by the tenant; or

18 (3) To recover reasonable expenses incurred in the repair of damage to a dwelling
19 unit caused by the tenant.

20 Retention of a security deposit or any portion of a security deposit for reasons permitted
21 under section 6033 does not constitute a fee, penalty or other charge for the act of
22 discontinuing tenancy; and

23 F. Any provision that requires the tenant to pay an optional recurring fee in violation
24 of section 6030-I or 6030-J or a mandatory recurring fee in violation of section 6030-J.

25 **Sec. 8. 14 MRSA §6030, sub-§4 is enacted to read:**

26 **4. Total price disclosure.** A lease or tenancy at will agreement is unenforceable if
27 the landlord does not receive a signed copy of the total price disclosure as required by
28 section 6030-J.

29 **Sec. 9. 14 MRSA §6030-I is enacted to read:**

30 **§6030-I. Optional recurring fee**

31 **1. Definition.** As used in this section, "optional recurring fee" means an amount of
32 money paid for an added service or feature of a property that is not essential to meet the
33 basic health or safety requirements necessary for a dwelling unit to be fit for human
34 habitation as governed by section 6021. "Optional recurring fee" does not include a fee for
35 the use of a coin-operated laundry machine or other intermittent fee not paid on a
36 predetermined recurring basis. "Optional recurring fee" does not include fees for late,
37 missed or insufficient payment of rent, repair costs, utility service costs, penalties or
38 charges that are issued to reimburse the landlord for reasonable costs or that deter the tenant
39 from violating the lease or tenancy at will agreement.

40 **2. Permitted optional recurring fee.** A landlord may impose an optional recurring
41 fee only if the landlord provides the tenant with written notice, prior to the implementation

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1 of the fee, that the tenant may opt in to using the services or property feature and cease
2 paying the optional recurring fee at any time without penalty. A landlord may not deny or
3 terminate a lease or tenancy at will agreement based on the tenant choosing to opt out of
4 those services or property features or cease paying the optional recurring fee.

5 **Sec. 10. 14 MRSA §6030-J** is enacted to read:

6 **§6030-J. Total price disclosure statement**

7 **1. Definitions.** As used in this section, unless the context otherwise indicates, the
8 following terms have the following meanings.

9 A. "Mandatory recurring fee" has the same meaning as in section 6000, subsection
10 1-A.

11 B. "Optional recurring fee" has the same meaning as in section 6030-I, subsection 1.

12 C. "Rent" has the same meaning as in section 6000, subsection 1-B.

13 D. "Utility service costs" has the same meaning as in section 6000, subsection 3-A.

14 **2. Written disclosure prior to tenancy.** Notwithstanding any other provision of this
15 chapter, prior to entering a lease or tenancy at will agreement, a landlord shall provide a
16 potential tenant or lessee written disclosure of the costs the tenant or lessee will be
17 responsible for paying pursuant to the lease or tenancy at will agreement that contains at a
18 minimum the following:

19 A. The total cost of rent;

20 B. Any mandatory recurring fee;

21 C. Any optional recurring fee;

22 D. Any utility service costs; and

23 E. Any other cost that the tenant will be responsible for paying pursuant to the lease
24 or tenancy at will agreement.

25 The disclosure must be plain and readily understandable by the general public. If a landlord
26 is unable to obtain utility service costs for a dwelling unit, the landlord may provide a
27 completed residential rental energy efficiency disclosure statement in accordance with Title
28 35-A, section 10117, subsection 1. The disclosure must be signed by both parties, with a
29 copy provided to each.

30 **3. Exception.** A written disclosure under subsection 2 is not required if the tenant is
31 not responsible for paying any mandatory recurring fee or any optional recurring fee.

32 **Sec. 11. Effective date.** This Act takes effect January 1, 2025.'

33 Amend the bill by relettering or renumbering any nonconsecutive Part letter or section
34 number to read consecutively.

35 **SUMMARY**

36 This amendment replaces the bill and does the following in the laws regarding rental
37 property.

38 1. It adds definitions for "mandatory recurring fee," "rent," "utility service costs" and
39 "optional recurring fee."

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- 1 2. It adds mandatory recurring fees to the notice of rent increase requirement for
- 2 landlords, requiring them to provide notice to tenants 45 days in advance of a fee increase.
- 3 3. It creates a limit on the amount of money required to initiate tenancy.
- 4 4. It adds provisions requiring tenants to pay certain charges to the list of unenforceable
- 5 provisions currently in law.
- 6 5. It requires landlords to provide a total price disclosure statement to potential tenants
- 7 or lessees.
- 8 The amendment also adds an effective date of January 1, 2025.

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